

Consumer Alert: Commissioner Karen Weldin Stewart Shares Useful Information in Preparation for an Active Hurricane Season

Hurricane season is less than a month away. According to Commissioner Karen Weldin Stewart, now is the time to prepare. The Weather Channel released its first 2013 Atlantic hurricane season outlook, calling for another active season. Last year, there were nineteen named storms, ten hurricanes and two major hurricanes, the most destructive of which was Super Storm Sandy which swept through the East Coast of the United States in late October. Many property owners do not know the basics about flooding or flood insurance. To make informed decisions, residents and business owners need a solid understanding of their flood risk and how flood insurance can help. The following are important facts and figures gathered by the [Federal Emergency Management Agency](#) (FEMA) which may serve to be useful information to help reduce the financial impact of flooding:

- Federal disaster assistance is usually provided in the form of a loan that must be paid back with interest along with any existing mortgage.
- Flood losses in the United States averaged \$2.9 billion per year for the last decade.
- Nearly 75 percent of all federally declared disasters over the past five years involved flooding.
- Floods are the number one natural disaster in the United States.
- Everyone is at risk-even those that do not live close to rivers and lakes. Floods happen as a result of heavy

rains, snow melt, overloaded drainage systems, land development runoff, and for many more reasons. Just an inch of water can cause tens of thousands of dollars in damage to your home and its contents.

- Most homeowners insurance does not cover flood damage.
- Over the life of a 30-year loan, your home, if located in a high-risk flood area, is more likely to be damaged by flood than by fire.
- More than five million Americans are protected with flood insurance, but millions more are unaware of their personal risk for property damage-or options for reducing that risk.
- Property owners, renters, and business owners can purchase flood insurance on their building and contents if their community is among the more than 21,800 communities that participate in the National Flood Insurance Program (NFIP).
- It typically takes 30 days after the purchase of flood insurance for the policy to take effect.
- The average premium is around \$640 a year; the average claim in the past five years was more than \$35,000.
- More than 20 percent of all flood claims come from areas mapped outside high-risk flood zones.
- Qualifying properties in moderate- to low-risk areas are eligible for the low-cost Preferred Risk Policy with premiums as low as \$129 a year for \$20,000 in building and \$8,000 in contents coverage.

Commissioner Karen Weldin Stewart would like all Delawareans to be safe and be informed. Commissioner Stewart expressed that, **"Being prepared in case of a natural disaster can save lives, property and a lot of heartache. The planning that homeowners and business owners do can keep a natural disaster from becoming an insurance disaster."** For more on flood insurance and flood risk information, visit <http://www.FloodSmart.gov/facts>. Also, visit our website for information related to storm preparedness:

<http://www.delawareinsurance.gov/departments/consumer/StormPrepare.shtml>